

§ 301.6231(a)(7)–1T

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or notices to “The Tax Matters Partner” in care of the partnership at the partnership’s address.

(iii) Any subsequent designation of a tax matters partner by the partnership after the 30-day period will become effective as provided under paragraph (k)(2) of this section (concerning designations made after a notice of beginning of administrative proceeding is mailed).

(s) *Effective date.* This section applies to all designations, selections, and terminations of a tax matters partner occurring on or after December 23, 1996.

[T.D. 8698, 61 FR 67459, Dec. 23, 1996, as amended by T.D. 8808, 64 FR 3840, Jan. 26, 1999]

§ 301.6231(a)(7)–1T Designation or selection of tax matters partner (temporary).

(a) through (p)(1) [Reserved]. For further guidance, see § 301.6231(a)(7)–1(a) through (p)(1).

(p)(2) *When each general partner is deemed to have no profits interest in the partnership.* If it is impracticable under § 301.6231(a)(7)–1(o)(2) to apply the largest-profits-interest rule of § 301.6231(a)(7)–1(m)(2), the Commissioner will select a partner (including a general or limited partner) as the tax matters partner in accordance with the criteria set forth in § 301.6231(a)(7)–1(q). The Commissioner will notify, within 30 days of the selection, the partner selected, the partnership, and all partners required to receive notice under section 6223(a), effective as of the date specified in the notice. For regulations applicable before July 22, 1998, see § 301.6231(a)(7)–1(p)(2).

(p)(3) through (q) [Reserved]. For further guidance, see § 301.6231(a)(7)–1(p)(3) through (q).

(r) *Notification of partnership—(1) In general.* If the Commissioner selects a tax matters partner under the provisions of § 301.6231(a)(7)–1(p)(1) or (3)(i), the Commissioner will notify, within 30 days of the selection, the partner selected, the partnership, and all partners required to receive notice under section 6223(a), effective as of the date specified in the notice. For regulations applicable before July 22, 1998, see § 301.6231(a)(7)–1(r)(1).

(r)(2) [Reserved]. For further guidance, see § 301.6231(a)(7)–1(r)(2).

[T.D. 8808, 64 FR 3840, Jan. 26, 1999]

§ 301.6231(a)(7)–2 Designation or selection of tax matters partner for a limited liability company (LLC).

(a) *In general.* Solely for purposes of applying section 6231(a)(7) and § 301.6231(a)(7)–1 to an LLC, only a member-manager of an LLC is treated as a general partner, and a member of an LLC who is not a member-manager is treated as a partner other than a general partner.

(b) *Definitions—(1) LLC.* Solely for purposes of this section, *LLC* means an organization—

(i) Formed under a law that allows the limitation of the liability of all members for the organization’s debts and other obligations within the meaning of § 301.7701–3(b)(2)(ii); and

(ii) Classified as a partnership for Federal tax purposes.

(2) *Member.* Solely for purposes of this section, *member* means any person who owns an interest in an LLC.

(3) *Member-manager.* Solely for purposes of this section, *member-manager* means a member of an LLC who, alone or together with others, is vested with the continuing exclusive authority to make the management decisions necessary to conduct the business for which the organization was formed. Generally, an LLC statute may permit the LLC to choose management by one or more managers (whether or not members) or by all of the members. If there are no elected or designated member-managers (as so defined in this paragraph (b)(3)) of the LLC, each member will be treated as a member-manager for purposes of this section.

(c) *Effective date.* This section applies to all designations, selections, and terminations of a tax matters partner of an LLC occurring on or after December 23, 1996. Any other reasonable designation or selection of a tax matters partner of an LLC is binding for periods prior to December 23, 1996.

[T.D. 8698, 61 FR 67462, Dec. 23, 1996]